

Message Text

UNCLASSIFIED

PAGE 01 TOKYO 12034 171102Z

20

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 SP-03 AID-20 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 DRC-01 DODE-00 PA-04 USIA-15 PRS-01

/180 W

----- 039389

R 171045Z SEP 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 4610

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMCONSUL HONG KONG

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS TOKYO 12034

PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, JA

SUBJECT: JAPAN'S BALANCE OF PAYMENTS IN AUGUST - PROVISIONAL

1. JAPAN'S CURRENT ACCOUNT AND BASIC BALANCE CONTINUED
TO IMPROVE IN AUGUST, WITH CURRENT ACCOUNT MOVEMENT TO
SURPLUS OF \$20 MIL PRIMARLY THE RESULT OF REDUCED IMPORTS.
\$270 MIL DEFICIT ON BASIC BALANCE IS SMALLEST IN MORE THAN
A YEAR. ON SEASONALLY ADJUSTED BASIS, EXPORTS INCREASED
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TOKYO 12034 171102Z

AND IMPORTS DECLINED SHARPLY; RESULTING \$409 MIL IMPROVE-

MENT IN SEASONALLY ADJUSTED TRADE BALANCE IS NEARLY TWICE THE \$231 MIL IMPROVEMENT INDICATED BY UNADJUSTED FIGURES FOR THIS ITEM.

2. IT SHOULD BE NOTED THAT CONTINUED SIZABLE NET INFLOW OF BANKING FUNDS (\$250 MIL) WAS MORE THAN OFFSET BY THE OUTFLOW OF NON-MONETARY FUNDS. THIS DEVELOPMENT IS UNLIKE PATTERN SHOWN IN JULY AND MAY REFLECT ADVERSE IMPACT OF LEADS AND LAGS. FOREIGN EXCHANGE MARKET INFORMATION INDICATES THERE WERE SOME DELAYS IN CONVERTING ADVANCE EXPORT RECEIPTS AS THE YEN BEGAN TO WEAKEN.

3. FOLLOWING ARE PRELIMINARY MOF DATA ON AUG BALANCE OF PAYMENTS IN MIL DOLLARS (IMF BASIS, NOT SEASONALLY ADJUSTED):

| | AUGUST '74 (PROVISIONAL) | JULY '74 (REVISED) | CHANGE |
|------------------------|-----------------------------|-----------------------|-----------|
| (1) CURRENT BALANCE | PLUS 20 | MINUS 202 | PLUS 222 |
| TRADE BALANCE | | | |
| | PLUS 570 | PLUS 339 | PLUS 231 |
| EXPORTS | PLUS 4,930 | PLUS 5,091 | MINUS 161 |
| IMPORTS | MINUS 4,360 | MINUS 4,752 | MINUS 392 |
| SERVICES AND TRANS- | | | |
| FERS | MINUS 550 | MINUS 541 | MINUS 9 |
| (2) LONG-TERM CAPITAL | | | |
| | MINUS 290 | MINUS 430 | PLUS 140 |
| (3) BASIC BALANCE | MINUS 270 | MINUS 632 | PLUS 362 |
| (4) NON-MONETARY SHORT | | | |
| -TERM CAPITAL AND | | | |
| ERRORS AND OMISSIONS | | | |
| COMBINED | MINUS 270 | PLUS 552 | MINUS 792 |
| (5) OVERALL BALANCE | MINUS 540 | MINUS 210 | MINUS 330 |
| (6) COMMERCIAL BANKS | | | |
| SHORT-TERM NET | | | |
| POSITION | PLUS 250 | PLUS 4 | PLUS 246 |
| (7) OFFICIAL SETTLE- | | | |
| MENTS BALANCE | MINUS 290 | MINUS 206 | MINUS 84 |

4. SEASONALLY ADJUSTED TRADE DATA (IMF BASIS) AS FOLLOWS:
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TOKYO 12034 171102Z

| | AUG. '74 | JULY '74 | CHANGE |
|---------|----------|----------|-----------|
| EXPORTS | 4,911 | 4,856 | PLUS 555 |
| IMPORTS | 4,382 | 4,736 | MINUS 354 |
| BALANCE | PLUS 529 | PLUS 120 | PLUS 409 |

5. EMBASSY ESTIMATE OF IMPRPTS (S.A) EXCLUDING OIL IS \$2,984 MIL WHICH SOMEWHAT LOWR THAN JULY (SEE TOKYO 10569). TRADE BALANCE EXCLUDING OIL (S.A.) ROSE TO SURPLUS OF \$1,927 MIL

IN AUG. EMBASSY ESTIMATED OF NON-OIL TRADE BALANCE FOR
CY 1973 AND CY 1974 TO DATE AS FOLLOWS:

(MONTHLY AVERAGE, \$MIL)

| | S.A. EXPORTS | S.A. NON-OIL IMPORTS | S.A. NON-OIL BALANCE |
|----------------|--------------|-------------------------|-------------------------|
| CY 1973 | 3,012 | 2,285 | 727 |
| 1974 (JAN-MAR) | 3,687 | 2,969 | 718 |
| (APR-JUNE) | 4,595 | 3,246 | 1,348 |
| (JULY-AUG) | 4,884 | 3,084 | 1,800 |

6. NOTE: ATE'S OF EXCHANGE USED BY MOF TO CONVERT TO
DOLLAR BASIS WAS 302.00 PER DOLLAR FOR AUG AND 290.32
PER DOLLAR FOR JULY. PUBLISHED OFFICIAL RESERVES DECLINED
\$301 MIL TO \$12,903, MIL. GOLD AND FOREIGN EXCHANGE
TOTALLED \$11,727 MIL, GOLD TRANCHE \$672 MIL, AND SDR'S
\$504 MIL

7. CUSTOMARY DETAILS ON CUSTOS EXPORTS TO BE REPORTED
IN SEPTTEL.
HODGSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DATA, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TOKYO12034
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740260-0091
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740937/aaaabfkb.tel
Line Count: 135
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 16 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 JUL 2002 by maustmc>; APPROVED <18 JUL 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JAPAN'S BALANCE OF PAYMENTS IN AUGUST - PROVISIONAL
TAGS: EFIN, JA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005